



**look  
forward to  
retirement!**

Iowa Department of Administrative Services  
**Retirement Investors' Club (RIC)**

## Program Summary

**Definition-** The Retirement Investors' Club (RIC) is a voluntary retirement savings program (offered by your employer) designed to increase your personal savings for retirement and lower your current taxable income. RIC savings help fund your retirement along with your pension (IPERS, POR, Judicial) and social security benefits.

**Eligibility-** You are eligible to contribute if you are a permanent or probationary employee of the State of Iowa working 20+ hours per week or an employee who has a fixed annual salary. This does not include Board of Regents Institution employees.

**Contributions-** Please Note: The total of all contributions made to this 457 plan and/or any other government employer's eligible 457 plan in 2008, must not exceed the IRS maximum limit of \$15,500 (\$20,500 for employees age 50 or older and \$31,000 for 3-Year Catch-Up participants).

- ◆ Deductions are taken from your paycheck before state and federal income tax.
- ◆ You choose how much to contribute up to the maximums shown below. The minimum contribution amount is \$25 a month (maximums shown below). You may change your contribution amount at any time on the *RIC Account Form*).

Year	Regular Contribution Limits	50+ Catch-Up** Contribution Limits	3-Year Catch-Up*** Contribution Limits
	100% of compensation* up to:	For participants age 50 or older, 100% of compensation up to:	The total of the regular limit + missed contributions up to:
2008	\$ 15,500	\$20,500	\$ 31,000

\* Compensation is your gross salary minus your retirement (IPERS, POR, Judicial) deductions. The maximum amount you may contribute is reduced by deductions for FICA, insurances, flexible spending accounts, auto use maintenance, employee organizations, and assignments.

\*\* Participants are not able to use the 50+ Catch Up limits and the 3-Year Catch-Up limits at the same time.

\*\*\*If you are within three years of your normal retirement date, you may qualify to contribute more than the regular maximum under the program's 3-Year Catch-up Provision.

**State Matching Contributions-** The State matches a portion of your monthly contributions. For every \$2 you contribute, the State will contribute \$1 (to your 401(a) employer match account) up to the maximum match benefit of \$75/month. Match contributions must be invested with the same provider receiving your 457 employee contributions. You may select the same investment mix for both the 457 & 401(a) or select different investments for each.

**Tax Advantages –** Your payroll deductions are invested on a pretax basis and your investment earnings grow tax-deferred. Nothing is taxable until you take money out at retirement. Distributions are taxed as ordinary income and reported on a 1099-R.

If your adjusted gross income does not exceed \$53,000 for joint filers or \$26,500 for single filers, you may be eligible for the Retirement Savings Contribution Tax Credit of up to \$2,000. Consult a tax professional if you have additional questions about this tax credit.

**Investment Selection-** There are 4 active investment providers with many investment options ranging from conservative to aggressive. You may change your active provider investment options at any time without fees or restrictions (with exception to Nationwide's fixed rate account which has a 5-year transfer restriction).

**Enrollment (always open)-** Call one of these providers to request enrollment information or an appointment. The provider you choose will supply you with all the paperwork necessary to start investing.

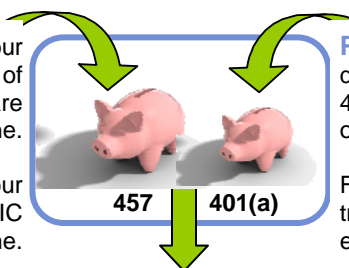
**AIG Retirement  
Hartford Life  
ING Financial Advisers  
Nationwide**

**515-267-1099 or 800-945-6763  
800-424-2825 ext. 47634 or 319-270-7505  
800-555-1970 or 515-698-7973  
877-677-3678, option 1 then option 2**

## Your account works like this...

**Pretax deductions**<sup>1</sup> are taken from your paycheck & deposited into your selection of investments in your RIC 457 account. You are fully vested from day one.

For consolidation purposes, you may roll your previous government 457 plan into your RIC 457 account at any time.



**Pretax contributions** from your employer are deposited into your selection of investments in your RIC 401(a) match account. You are fully vested from day one.

For consolidation purposes, you may roll your traditional/rollover IRA, 401k, 403b, 403a, 401a or other eligible plan into your RIC 401(a) account at any time.

### Once separated from State of Iowa employment, you may...<sup>2</sup>

leave your money in RIC, take payments, or roll<sup>3</sup> over to an IRA or other employer-sponsored plan

<sup>1</sup>The total of all contributions made to this 457 plan and/or any other government employer's eligible 457 plan in 2008, must not exceed the IRS maximum limit of \$15,500 (\$20,500 for employees age 50 or older and \$31,000 for 3-Year Catch-Up participants).

<sup>2</sup>You cannot receive payment from your 457 account while employed unless you qualify for a Hardship Withdrawal, Cash Out or Pension Credit Purchase.

<sup>3</sup>If you roll your 457 out of RIC to an IRA or other qualified plan, an IRS 10% penalty may apply for taking payments from the plan prior to age 59 ½

**Distribution Requests at Termination-** If you are invested with AIG Retirement, AXA Equitable, Hartford Life, ING Financial Advisers, or Nationwide, you may contact them directly (after termination of employment) at the numbers listed below to request a distribution.

**AIG Retirement**  
**AXA Equitable**  
**Hartford Life**  
**ING Financial Advisers**  
**Nationwide**

**800-892-5558 ext 88700**  
**877-800-7279 (option 3)**  
**800-528-9009**  
**800-555-1970 or 515-698-7973**  
**877-677-3678, select option1 then select option 2**

If your investments are with any provider other than the five listed above, you must download a *Distribution Form* from our website at [www.das.hre.iowa.gov/benefits\\_ric\\_forms.html](http://www.das.hre.iowa.gov/benefits_ric_forms.html) or request one from the Department of Administrative Services (DAS). Once your completed distribution form is received, a letter of instruction will be sent to your provider requesting a distribution. Call your provider to find out if they require additional paperwork.

## Distributions While Employed

- ◆ **Service Credit Purchase** - If you qualify, you may request to move money from your RIC 457 account to IPERS while working for the State. This is a non-taxable transfer. To find out if you qualify to purchase IPERS credits (or quarters) contact IPERS toll free at 800-622-3849 (281-0020 in Des Moines) or email them at [Info@ipers.org](mailto:Info@ipers.org). If you would like to use your RIC 457 money to make a service credit purchase, please complete the *RIC Service Credit Purchase Form* and return it to us along with the *IPERS Rollover/Direct Transfer Form* (provided by IPERS).
- ◆ **Hardship Withdrawal** – You must provide proof of financial hardship based on an unforeseeable emergency. Strict federal guidelines determine whether or not your request will be approved.
- ◆ **Cash Out** - only available to participants who have less than \$5,000 in their account and have not contributed to the plan in the previous 24 months.

**Provider Transfers-** You may request to transfer your account to another provider. It is important to ask your current provider if you will incur withdrawal charges. If you are subject to withdrawal charges, you may have the option to request an automatic annual transfer of your contract until the penalty period is past. The four active providers have no withdrawal fees or restrictions on transfers (with exception to Nationwide's fixed rate account which has a 5-year transfer restriction while employed).

**Additional Information-** For additional information, visit our website at [www.das.hre.iowa.gov/ric.html](http://www.das.hre.iowa.gov/ric.html). If you have questions, please call Robbie Stoecker at 515-242-6846 or send an email to [robbie.stoecker@iowa.gov](mailto:robbie.stoecker@iowa.gov).